

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

METROPOLITAN LIFE INSURANCE
COMPANY, a New York corporation,

Plaintiff,

vs.

ACDF, LLC, a California limited liability
company, et al.,

Defendants.

Lead Case No. 1:24-cv-01261-KES-SAB

Consolidated with Case Nos:
1:24-cv-01226; 1:24-cv-01230; 1:24-cv-
01231; 1:24-cv-01232; 1:24-cv-01233; 1:24-
cv-01235; and 1:24-cv-01241

**ORDER RE PAYMENT OF RENT
REGARDING LEASES WITH DUMAR,
LLC AND PISTACHE, LLC**

(Docs. 81, 99)

- ☐ Affects All Cases
- ☐ Affects Metropolitan Life Ins. Co. v. ACDF, LLC, et al., 1:24-cv-01261
- ☐ Affects Metropolitan Life Ins. Co. v. FNF Farms, LLC, et al., 1:24-cv-01226
- ☒ Affects Metropolitan Life Ins. Co. v. C & A Farms, LLC, et al., 1:24-cv-01230
- ☐ Affects Metropolitan Life Ins. Co. v. Maricopa Orchards, LLC, et al., 1:24-cv-01231
- ☐ Affects Brighthouse Life Ins. Co. v. Kamm South, LLC, et al., 1:24-cv-01232
- ☐ Affects Brighthouse Life Ins. Co. v. Manning Avenue Pistachios, LLC, et al., 1:24-cv-01233 Case No. 1:24-cv-01233
- ☐ Affects Brighthouse Life Ins. Co. v. ACDF, LLC, et al., 1:24-cv-01235
- ☐ Affects MetLife Real Estate Lending, LLC v. Panoche Pistachios, LLC, et al., 1:24-cv-01241

1 This Order is entered after the hearing on the Motion to Terminate Leases with Dumar,
2 LLC and Pistache, LLC and for Turnover of Property, Doc. 81 (the “**Motion to Terminate**
3 **Leases**”), filed by Phillip Christensen, as Receiver in the above-captioned action (the
4 “**Receiver**”), based on the following facts and findings:

5 1. On or about April 9, 2021, Maricopa Orchards, LLC (“**Maricopa**”) entered into
6 certain pistachio field (the “**Properties**”) leases with Dumar, LLC (“Dumar”) and Pistache, LLC
7 (“Pistache”), Doc. 81, Exs. 2, 3 (the “**Leases**”).

8 2. This action was filed on October 10, 2024, and the Receiver was appointed on
9 November 7, 2024.

10 3. On February 5, 2025, a hearing was held on the Receiver’s Motion to Terminate
11 Leases. The Receiver, Dumar, and Pistache (collectively, the “Parties”) appeared and the Court
12 heard oral argument.

13 4. At the hearing, the Court denied the Motion to Terminate Leases for the reasons
14 stated on the record. Doc. 95. The Court ordered the parties to file a joint proposed order
15 reflecting their representations at the hearing regarding payment of rent to the Receiver for the
16 2025 crop year and their representations on related lease matters, and also reflecting other revised
17 lease terms as agreed by the parties for the 2025 crop year. *Id.* Alternatively, if the parties could
18 not reach agreement on all terms, the parties were ordered to file a joint status report with an
19 attached proposed order noting all agreed terms between the parties and any specific issue
20 remaining in dispute. *Id.*

21 5. As directed by the Court, the Parties met and conferred and agreed to all terms of
22 this order except one, noted below. *See* Doc. 99 (“Joint Status Report”).

23 6. The only point of disagreement is the payment of currently due and unpaid real
24 property taxes that were incurred during the 2024 crop year. The Receiver argues that Dumar
25 and Pistache should pay property taxes for the 2024 crop year because, he asserts, the Leases
26 required them to do so. *Id.* at 3.

27 7. Contrary to the Receiver’s position, under the terms of the Leases, Dumar and
28 Pistache were excused from paying real property taxes due in 2024 if Touchstone Pistachio

Company, LLC (“Touchstone”) failed to pay for the crops Dumar and Pistache delivered for that year. The Leases provide that “if Touchstone for any reason fails to pay for any crop that has been delivered to it at the agreed upon time, such failure or default shall relieve Tenant of its obligation to pay the rent under this Lease until such defaulted payment by Touchstone is made to Tenant.” Leases § 1.2(c). Other sections define “rent” to include real property taxes. *See* Leases §§ 3, 8.2. Specifically, § 8 provides that, “[a]s additional *rent* for the Property, Tenant shall pay . . . all real property taxes” *See id.* § 8 (emphasis added). Given that it is undisputed that Touchstone did not pay Dumar or Pistache for the crops they delivered in 2024, Doc. 81 at 7, Dumar and Pistache were excused under the terms of the Leases from paying the real property taxes due in 2024. The parties agree that Dumar and Pistache are required to pay the real property taxes due in 2025.

The Court therefore **ORDERS THAT:**

1. Dumar and Pistache must pay to the Receiver rent of \$911,306 and \$1,446,515, respectively, for a total of **\$2,357,821** by no later than November 30, 2025 (“**2025 Rent**”).

2. No conditions on payment of 2025 Rent set forth in the Leases are binding or enforceable as against the Receiver, except for such terms expressly set forth herein.

3. Within 14 days after entry of this order, Dumar and Pistache must

- a. add the Receiver as an additional insured and loss payee on any insurance policy concerning their 2025 crop; and

- b. provide proof thereof to the Receiver.

4. Pursuant to the schedule established by the Westlands Water District, Dumar and Pistache must pay all water assessments for the water year 2025 and water costs for the 2025 crop. The payment schedule which has been delivered to the Receiver by the Westlands Water Districts call for the payments on March 25, 2025, September 25, 2025 and November 25, 2025. The last payment must be made by Dumar and Pistache on or before November 14, 2025. The Receiver will instruct the Westlands Water District to provide water to the Properties and accept payment of the land based assessment of the 2025 crop water assessments and costs from Dumar and Pistache.

1 5. Within 14 days after entry of this order, the Receiver shall forward to Dumar and
2 Pistache the most recent real property tax bills which cover the period from December 1, 2024
3 through June 1, 2025 which will be reflected in the 2nd installment of the tax bills payable on
4 April 10, 2025. Dumar and Pistache must pay said 2nd Installments on or before April 10, 2025.
5 Within 14 days of receipt of the property tax bill which covers the period June 1, 2025 through
6 July 30, 2025, which will be reflected in the 1st installment of the tax bills payable on December
7 10, 2025, the Receiver shall forward such property tax bills to Dumar and Pistache. Dumar and
8 Pistache must pay said 1st Installments on or before November 14, 2025. Dumar shall have no
9 other property tax liability.

10 6. Within 14 days after entry of this order, Dumar and Pistache must execute joint
11 instructions with the Receiver to Setton Pistachio of Terra Bella (or another processor of
12 Receiver's selection) to contract with respect to the processing of the 2025 crop. The instructions
13 must direct the processor to pay the 2025 Rent amount to the Receiver, and any excess amount to
14 Dumar and Pistache.

15 7. As security for the payment of the 2025 rent and real property taxes, Dumar and
16 Pistache each grant to the Receiver a security interest in the 2025 crop and any proceeds thereof.
17 The Receiver may immediately file or record a financing statement or other notice of lien to
18 perfect its security interest. In the event of a default hereunder, the Receiver, or his assignee or
19 successor, shall have all rights and remedies at law and equity available to a secured creditor with
20 respect to the 2025 crop.

21 8. As additional security for the payment of the 2025 Rent and real property taxes,
22 the Receiver shall be named an additional insured on the 2025 crop insurance and proceeds
23 thereof in the respective amounts of the Rent and property taxes as set forth above less any
24 amounts that have been paid by Dumar, Pistache or the pistachio processor that processes the
25 2025 crop. If the Rent and property taxes have been paid as ordered, then the Receiver shall take
26 all necessary steps to cancel the loss payee provision, and shall have no further rights to crop
27 insurance proceeds.
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1 9. Dumar and Pistache shall engage in commercially acceptable agricultural practices
2 including, inter alia:

- 3 a. Application of adequate irrigation water,
4 b. All chemical applications required by the farm, such as herbicides,
5 insecticides, and fungicides, and
6 c. Fertility applications.

7 Upon written request by the Receiver, Dumar and Pistache shall provide the
8 Receiver with documentation confirming the foregoing and physical access to inspect the
9 Properties.

10 10. This Court shall have exclusive jurisdiction over the enforcement of this order and
11 any breach of the terms hereof. The Parties shall have all remedies available at law and equity in
12 connection with the enforcement of the terms hereof. The terms hereof shall inure to the benefit
13 of any assignees or successors in interest of the Parties.

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16 IT IS SO ORDERED.

17 Dated: March 21, 2025



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19 UNITED STATES DISTRICT JUDGE
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